

Late Backup

**BRIEFING ON PROPOSED  
SPECIAL DISTRICT  
LEGISLATION**

**March 24, 2011**

# PURPOSE OF BRIEFING

- Provide overview of special district legislation filed to create districts in Austin's ETJ
- Evaluate consistency of each proposal with Council's MUD policy adopted last month
- Discuss next steps

# **KEY COMPONENTS OF MUD POLICY - BENEFITS AND REQUIREMENTS**

- City would obtain extraordinary benefits such as:
  - Land use controls
  - Affordable housing
  - Environmental improvement
  - Improved public transportation facilities
  - Additional open space
  - Additional amenities
  
- Some of the basic MUD Policy requirements for creation of a MUD include:
  - The City is water and wastewater utility service provider
  - No impairment of City's future annexation
  - Compliance with Green Building Program
  - District tax rate is equal to or greater than the City's rate
  - Developer contributes portion of infrastructure without reimbursement by the MUD or the City

# LEGISLATIVE MUD CREATION PROCESS

- Create district through legislation
- Negotiate consent agreement terms
- Execute consent agreement if City Council approves
- Operate District within consent agreement parameters

# KEY CITY REQUIREMENTS FOR MUD LEGISLATION

- Each bill proposed should contain certain City requirements:
  - Execution of City consent agreement before permanent MUD board directors are elected
    - Is deemed valid and enforceable
  - Dissolving the district in one year if no consent agreement
  - City to appoint one board director
  - Board term limits
  - Tax rate to be equal or greater than City's



# PILOT KNOB COMPARISON TO MUD POLICY

MUD Policy	Pilot Knob Complies?	Comments
Creates MUD	Yes	
Agrees to Key Legislation Requirements	Yes	
Allows Annexation	Yes	Annexation can occur as negotiated in consent agreement
Meets Green Building	Equivalent	Not located in Austin Energy's service area

# PILOT KNOB COMPARISON TO MUD POLICY (cont'd)

MUD Policy	Pilot Knob Complies?	Comments
Land Use Controls	Yes	<ul style="list-style-type: none"> <li>• Limited purpose annexation and use of the PUD process</li> <li>• Will also commit to applicable development regulations for each phase</li> </ul>
City Water and Wastewater Services	Yes	Developer paid to be released from another provider's CCN
Affordable Housing	Partially	Proposes to provide cash donation

# PILOT KNOB COMPARISON TO MUD POLICY (cont'd)

MUD Policy	Pilot Knob Complies?	Comments
Financing	Partially	Meets almost all requirements.
Fire/EMS	Uncertain	Will require an automatic aid agreement between the ESD, the district, and the City

# PILOT KNOB COMPARISON TO MUD POLICY (cont'd)

MUD Policy	Pilot Knob Complies?	Comments
Environmental and Drainage	Partially	Such as may need variances from regulations (excluding water quality and setbacks for waterways)
Transportation	Yes	Meets Tier II requirements
Open Space/Parks	Yes	E.g., amount of open space beyond Tier I requirements, dispersed throughout MUD

# RIO DE VIDA COMPARISON TO MUD POLICY

MUD Policy	Rio de Vida Complies?	Comments
Creates MUD	MUD Plus	Would like additional powers and revenue sources in legislation
Agrees to Key Legislation Requirements	Yes	
Allows Annexation	Yes	Annexation can occur as negotiated in consent agreement

# RIO DE VIDA COMPARISON TO MUD POLICY (cont'd)

MUD Policy	Rio de Vida Complies?	Comments
Meets Green Building	Equivalent	Will comply with Green Building or equivalent LEED standards (Partially in AE service area)
Land Use Controls	Yes	Limited purpose annexation and use of the PUD process
City Water and Wastewater Services	Partially	Partially in Homsby Bend CCN
Affordable Housing	Uncertain at this time	

# RIO DE VIDA COMPARISON TO MUD POLICY (cont'd)

MUD Policy	Rio de Vida Complies?	Comments
Financing	Partially	Meets most requirements. Has not yet committed, but may be willing to further discuss certain bond and developer reimbursement issues
Fire/EMS	Uncertain	Will require an automatic aid agreement between the ESD, the district, and the City

# RIO DE VIDA COMPARISON TO MUD POLICY (cont'd)

MUD Policy	Rio de Vida Complies?	Comments
Environmental and Drainage	Partially	May need variances from regulations (May contribute to pollutants if power plant constructed)
Transportation	Yes	Meets Tier II requirements
Open Space/Parks	Yes	E.g., amount of open space beyond Tier I requirements, dispersed throughout MUD

# RIO DE VIDA LEGISLATION COMPARED TO STANDARD MUD STATUTES

Statutes Regarding MUDs	Standard MUD?	Comments
Water and Wastewater	Yes	
Drainage	Yes	
Roads	Yes, but chose broader powers option	Broader powers do not require TCEQ approval and allows bonding of more types of roads
Parks	No	<ul style="list-style-type: none"> <li>• Requests removal cap of 1% of project costs to be bonded;</li> <li>• Requests sales tax and hotel occupancy revenues in addition to ad valorem taxes</li> <li>• Desires to have as many funding sources as may be needed in the future</li> </ul>

# RIO DE VIDA LEGISLATION COMPARED TO STANDARD MUD STATUTES (cont'd)

Statutes Regarding MUDs	Standard MUD?	Comments
Topographical Reclamation	No	<ul style="list-style-type: none"> <li>• Requests sales tax and hotel occupancy revenues for restoration of mining grounds</li> <li>• Does not want City to have consent authority</li> <li>• Would like to have as many funding sources as may be needed</li> </ul>
Mini-Convention Center/Meeting Rooms/Parking Garage	No	<ul style="list-style-type: none"> <li>• Requests sales tax and hotel occupancy revenues for potential hotel/convention center</li> <li>• Would like to have as many funding sources as may be needed in the future</li> </ul>

# RIO DE VIDA LEGISLATION COMPARED TO STANDARD MUD STATUTES (cont'd)

Statutes Regarding MUDs	Standard MUD?	Comments
380 Economic Development Grants; Tax Abatements	No	<ul style="list-style-type: none"> <li>• Requests property taxes not already pledged to bonds as well as other grants of public money, sales taxes, and possibly hotel occupancy taxes depending on recipient</li> <li>• Plans for use of money are unknown at this time, but may be used for tourism, business recruitment, and other development needs</li> <li>• Developer would like to have as many funding sources as may be needed in the future</li> </ul>

## **RECOMMENDED NEXT STEPS**

- Staff will bring resolutions for Council consideration relating to the bills for each project on an April agenda